

# *First United Home Loans*

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J

Wendell & Mary Harper  
4151 Miflin Court  
El Sobrante, Ca 94803

DEAR Mr & Mrs Harper,

FIRST UNITED HOME LOANS HEREBY AGREES TO REQUALIFY YOU TO THE LOWEST FIXED RATE ON THE MARKET THAT YOU QUALIFY FOR WITHIN 24 MONTHS AS LONG AS THE FOLLOWING CONDITIONS ARE MET:

1. PAYMENTS ON ALL TRUST DEEDS ARE MADE ON TIME.
2. ALL CONSUMER DEBT IS PAID IN A TIMELY MANNER.
3. VALUE OF PROPERTY DOES NOT DECLINE SIGNIFICANTLY.
4. TOTAL DEBT TO INCOME RATIO REMAINS ACCEPTABLE.

THANK YOU FOR YOUR BUSINESS,



DAVID CARTER  
LOAN OFFICER



Loan Number: 101537-FC

## NOTICE OF ASSIGNMENT, SALE OR TRANSFER OF SERVICING RIGHTS

You are hereby notified\* that the servicing of your mortgage loan, that is, the right to collect payments from you, is being assigned, sold or transferred from FIRST UNITED HOME LOANS

to NOVASTAR MORTGAGE INC, A VIRGINIA CORPORATION

, effective AUGUST 1, 2006

The assignment, sale or transfer of the servicing of the mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you this notice at least 15 days before this effective date of transfer, or at closing. Your new servicer must also send you this notice no later than 15 days after this effective date or at closing. In this case, the present servicer and the new servicer have combined all necessary information in this one notice.

Your present servicer is FIRST UNITED HOME LOANS

If you have any questions relating to the transfer of servicing from your present servicer call our servicing department at (800) 288-5805 between 8:30 a.m. and 5:00 p.m. on the following days: Monday through Friday.

Your new servicer will be NOVASTAR MORTGAGE, INC.

The business address for your new servicer is: P.O. BOX 27-8911, KANSAS CITY, MISSOURI 64184-8911

The toll-free or collect call telephone number of your new servicer is (888) 289-1231 . If you have any questions relating to the transfer of servicing to your new servicer call CUSTOMER SERVICE at (888) 289-1231 between 8:00 a.m. and 5:00 p.m. on the following days: Monday through Friday.

The date that your present servicer will stop accepting payments from you is AUGUST 1, 2006

The date that your new servicer will start accepting payments from you is AUGUST 1, 2006

You should also be aware of the following information, which is set out in more detail in Section 6 of RESPA (12 U.S.C. §2605):

During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Section 6 of RESPA (12 U.S.C. §2605) gives you certain consumer rights. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 Business Days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reasons for the request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60-Business Day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

A Business Day is any day, excluding legal public holidays (State or Federal), Saturday and Sunday.

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section. You should seek legal advice if you believe your rights have been violated.

### BORROWER ACKNOWLEDGMENT

I/We have read this disclosure form, and understand its contents, as evidenced by my/our loan signature(s) below.

(3)

NovaStar Mortgage, Inc.  
8140 Ward Parkway  
Suite 200  
Kansas City, MO 64114  
(888) 743-0774 Toll Free  
(816) 627-5845 Fax



September 22, 2007

WENDELL HARPER  
KATHRYN HARPER  
4151 MIFLIN CT  
EL SOBRANTE CA 94803

Re: NovaStar Loan #0002511905 (Loan Modification)

Dear Wendell and Kathryn,

Enclosed you will find a loan modification agreement being offered as one time assistance to our customers that have suffered a Hardship. All borrowers on the original Note and Mortgage will need to sign this cover letter and the modification agreement. By signing the enclosed documents you are agreeing to the following items:

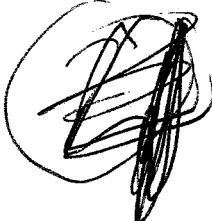
As of the date of this letter the due date on your loan is **06/01/2007**.

- 1) The maturity date on your mortgage will change to **10/01/36**.
- 2) Upon NovaStar receiving the signed modification agreement and certified funds in the amount of **\$6996.94**. Please return this signed cover sheet your next payment due date will be **11/01/07**.
- 3) Please be advised your interest rate will change to a fixed rate of 7.5 %. Payments are still subject to change pending any changes in escrow for taxes or insurance.
- 4) The enclosed modification agreement must be signed by (2) two separate witnesses; signed and notarized by licensed notary republic, and the original agreement must be received by NovaStar at the above address no later than **09/26/07**.
- 5) Fax a copy of the signed notarized documents to **816-627-5845** to my attention immediately.

10B.113

October 26, 2007

40654 0047377 010  
 WENDELL HARPER  
 KATHRYN HARPER  
 4151 MILFIN CT  
 EL SOBRANTE CA 94803-2754



*Letter From*  
**SAXON**  
 on Loan  
 Transfer/  
 after  
 Closing

*DOC 4*

Re: New Saxon Loan Number: 2000380690  
 Property Address: 4151 Miflin Ct  
 El Sobrante Ca 94803

Dear Valued Customer:

Welcome to Saxon Mortgage Services, Inc. ("Saxon")! Saxon has acquired the servicing of your mortgage loan from Novastar Mortgage, Inc. effective 11/01/07. Saxon is committed to making the transfer of your loan a smooth process. Through people, passion and performance we will strive to exceed your expectations by providing the quality service you deserve. Please take a moment to read the content of this letter as it provides pertinent information for servicing your loan.

Please contact your present servicer Novastar Mortgage, Inc. on or before 10/31/07. You can contact them in writing or by phone at the following:

**Novastar Mortgage, Inc.**  
 8140 Ward Parkway, Suite 200  
 Kansas City Mo 64114  
 Toll Free # 1.555.963.4968  
 Hours 8:30 AM To 5:15 PM ET

Please note that your previous service provider will no longer accept payments for your account from you on or after 10/31/07. Saxon will begin accepting payments on your loan 11/01/07. Send all payments due on or after this date to Saxon. The transfer servicing rights will not affect the terms of the continued availability for the recurring monthly draft feature. Your recurring monthly draft feature will continue with Saxon Mortgage Services, Inc. You should receive a billing statement within two weeks from receipt of this letter. If you do not receive your billing statement before the next payment due, please use the temporary coupon attached to this letter or you may write your Saxon loan number on your check or money order and send it to:

Saxon Mortgage Services, Inc.  
 Payment Processing  
 PO Box 961105  
 Fort Worth Texas 76161.0105

For your convenience, we offer several payment options:

- Send your payment (check or money order) via USPS
- Western Union Quick Collect
- Interactive Voice Response system (IVR) when you call our Customer Service at 1.800.594.8422 after November 5, 2007
- Online at [www.saxononline.com](http://www.saxononline.com) after November 5, 2007
- Electronic Bank Draft (ACH)
- Set up a Western Union Phone Pay with one of our representatives in Customer Service

Please contact your new servicer on or after November 5, 2007 if you have inquiries that relate to the servicing of your mortgage. Please contact Customer Service toll free at 1.800.594.8422. Customer Service's hours of operation are 7:00 a.m. to 10:00 p.m. CST Monday through Friday and 8:00 a.m. to 2:00 p.m. CST on Saturdays.

For your convenience, [saxononline.com](http://saxononline.com) will be available to you beginning November 5, 2007.  
 After November 5, 2007, [saxononline.com](http://saxononline.com) will be available to you 24 hours a day.



Detach and return lower portion with your payment.

### TEMPORARY COUPON

Please use this coupon if you do not receive a billing statement before the due date.

LOAN NUMBER	"CURRENT" PAYMENT	DELINQUENT PAYMENT	OTHER FEES	UNPAID LATE CHARGES	SUSPENSE CREDIT	TOTAL PAYMENT	DUE ON OR BEFORE
2000380690	\$2,375.00					\$2,375.00	

WENDELL HARPER                    KATHRYN HARPER  
 SAXON MORTGAGE SERVICES, INC  
 PO BOX 961105  
 FT WORTH TX 76161-0105

"LATE" FEE	RECEIVED AFTER	TOTAL LATE PAYMENT

ADDITIONAL PRINCIPAL	
ADDITIONAL ESCROW	
TOTAL ENCLOSED	

If remitting more than the amount due, please specify how to apply.  
 Excess funds will only be applied to principal if there are no unpaid fees or escrow advances.

Wendell Harper  
Mary-Kathryn Harper  
4151 Miflin Ct.  
EL Sobrante, CA 94803  
(510) 262-9178



NovaStar Mortgage, Inc.  
2114 Central(suite 600)  
Kansas City, MO 64108

Dear Customer Service:

Please ensure that the appropriate person gets this letter. It is of the utmost Urgency. Enclosed please find a copy of the Loan Modification Document That NovaStar Mortgage, our lender in November, 2007, required us to sign. The signing was mutual, and as shown, required the signatures of two witnesses Not living with us. NovaStar also directed that the agreement be notarized, which Was accomplished immediately. As you will notice, we paid just under \$7000.00 In order to have this agreement implemented. All of this has gone down the drain, as My spouse and I are in immediate threat of foreclosure. This we cannot and will Not abide.

Saxon Mortgage is not honoring a binding agreement which the contract Obliges to be set until 2011. Must we conclude therefore, that the source of the agreement, The mortgage company who required it and certified the contract, deliberately consummated language That NovaStar Mortgage, Inc., perhaps never intended to keep?

We would hate to believe that a mortgage lender which heretofore has been so accommodating, would deliberately Breach a contract. We have presented this problem to both the US Justice Department and The office of The California Attorney General. Our mortgage contract agreement lasted six months, and we have seen our monthly mortgage payments jump by \$800.00. It appears that The money we entrusted to you for Permitting the modification agreement would have been better Spent taking legal action. While we are confident we have the means to resolve this matter before the foreclosure occurs, we still want to feel secure that some representative of Saxon Mortgage won't be Sticking an Auction sign on our lawn. We submit categorically and unequivocally that the agreement we signed with you is binding and that Saxon should have honored its contents or they should not have made the transaction to purchase your loan services. We Want to know in writing, what your position is. Does Saxon Mortgage stand by its notarized, witnessed and signed loan modification agreements?

In either case, we need a written reply by mail. We believe that Saxon Mortgage decided

On it's own not to honor the agreement. Saxon officers seem quite intent on making impossible, our ability to make the mortgage payments and pay our bills. NovaStar Mortgage, Inc., perhaps can help put this matter to rest.

As we stated to your representatives during our loan modification talks, we have indeed taken advantage of the very suggestion your website Makes related to filing amended returns for deductions based upon Home Acquisition Debt. We filed for claims. Three of the claims have been processed, and the fourth is under appeal. Even if the appeal were denied(which we seriously doubt), we still have three accepted claims that will yield refunds for interest only loans dating back to 2004. We already eliminated \$62,000 in tax debt by doing this, and got the money to pay NovaStar \$7000.00. We also got the IRS to pay our property taxes, which also were delinquent. This after an initial denial, but our. We have filed a form 1040(D) in a bid to payoff this loan and eliminate the debt. We will need time to do this.

My spouse and I are not anxious to take the legal course, nor to become involved with a public fight to keep what we have spent so much to own and improve. This home has Been completely remodeled. The plumbing has been updated. The floors laminated, The ceilings completely made over and the house painted inside and outside. In addition, We have won a permit from Contra Costa County to build three more bedrooms and two additional baths. The Deductions for home acquisition debt are available because of the number of times we Have refinanced within the past eight years to accomplish this complete property overhaul. We not only have approved the house, we also have upgraded the property. If we lose it, the court system and the three levels of government Will first be fully tested.

We need time to make these adjustments, to get the remainder of our Tax refunds. We Also are excited about our "Capital Gains & Losses" filing with the IRS. They have Promised a response by April. We have the resources to at meet the terms of the agreement we worked out with NovaStar Mortgage. At the very least, we need you to Declare your position and insist that the agreement you required us to sign, is honored By your buyer, NovaStar Mortgage. We await your immediate response.

Sincerely,

Wendell Harper  
Mary-Kathryn Harper



Shareholder Information

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Thank you for visiting NovaStar.

At present, we are no longer originating new loans, but we thank you for your interest and for considering us.

If you are a former customer, NovaStar Mortgage is no longer servicing any loans. You should have received a notice from both NovaStar and your new Servicer by now and will need to reference this material for their contact information.

Other contact numbers:

- Investor Relations – 816.237.7424
- Servicing – 888.289.1231
- Retail – 800.279.3120
- HR: W2 or Employee payroll information – 800.335.7486
- HR: Employee/Former Employee Address Change, VOE or other HR matters – 816.237.7570
- 1098 Inquiries – 800.594.8422
- Legal – 816.237.7376
- REO – 913.748.0290
- Lien release, Title, Deed, Escrow – 816.237.7686
- For all other questions please call - 800.469.4270

If you need another copy of your year end statement, or any year prior to 2007, please contact Saxon Mortgage Services, Inc. at 1.800.594.8422

If there are issues with your payment due to the transfer of your loan to the new servicer please call 816.237.7047.



©2009 NovaStar Mortgage, Inc. 2114 Central, Ste. 600, Kansas City MO 64108

Wendell & Mary-Kathryn Harper  
4151 MILFIN COURT  
EL SOBRANTE, CA. 94803

SAXON MORTGAGE, INC.

Dear Lender:

We are committed to closing a deal to purchase this property. We are making a bid to Pay the loan amount we owe, in full, with your assistance. As we have stated, our Internal Revenue Service account should yield enough funds to accomplish a complete purchase of our home.

We will advise that you take measures similar to those utilized by The Contra Costa County Tax Collector's office. We owed \$2500.00 dollars in property taxes. My spouse and I made a formal request of the Tax Collector to file a claim with the Franchise Tax Board, for the delinquent taxes. The collector followed our advice, filed the claim, and the property taxes were paid in full. While Saxon Mortgage would be claiming a much larger amount, we are confident the money is in the account to pay the mortgage balance. At the very least, you should be able to recover the past due amount. Therefore, we formally advise your company to file a claim for a complete payoff of this loan. We will sign any statement to this effect. The sooner you take this action, the more expedient we believe will be the process of payment.

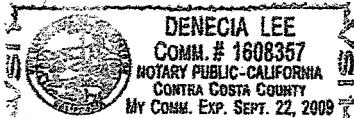
We want to own this property outright. At the same time, we have claims on file for several tax years that already have been approved and processed. The \$2500 dollars paid to Contra Costa County on our behalf, and the fact that our delinquent income tax account has been dissolved, demonstrates the fact that the amounts we claim are valid. We ask that this be a priority. Please respond as soon as possible. Thanks.

Sincerely,

Wendell Harper  
Mary-Kathryn Harper

*Wendell / Joyce  
Mary - Kathryn Harper*

State of California, County of *Contra Costa*  
Subscribed and sworn to (or affirmed) before me on this  
27 day of Sept. 2008, by *Mary-Kathryn Harper*  
proved to me on the basis of satisfactory evidence  
to be the person(s) who appeared before me.  
*Deneicia Lee*  
(Signature of Notary)



State of California, County of *Contra Costa*  
Subscribed and sworn to (or affirmed) before me on this  
27 day of Sept. 2008, by *Wendell Harper*  
proved to me on the basis of satisfactory evidence  
to be the person(s) who appeared before me.  
*Deneicia Lee*  
(Signature of Notary)

# California All-Purpose Certificate of Acknowledgment

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State of California

County of Contra Costa s.s.

On September 29<sup>th</sup>, 2008 before me, Denecia Lee, a notary public in and for said state personally appeared

Wendell Harper and Mary-Kathryn Harper

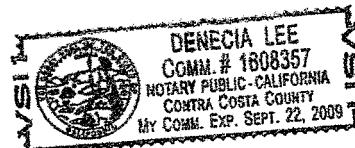
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS MY HAND AND OFFICIAL SEAL.

Denecia Lee

Denecia Lee, Notary Public - State of California  
Commission No. 1608357 expires: September 22, 2009



NOTARIAL SEAL

October 19, 2007

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WENDELL & MARY K. HARPER  
4151 MIFLIN CT.  
EL SOBRANTE, CA. 94803  
(510 262-9178  
SSN: 484-50-9004

Department Of the Treasury  
Internal Revenue Service  
Fresno, CA. 95888-0025

Tax years: 2004 – 2005 -2006  
Tax Forms: 1040 – 1098

Dear Representatives

This letter is related to closure of our Tax form 1040 account for The above-mentioned three tax years. Also, I am writing in regards to the 1098 mortgage interest form that we filed, claiming \$832,000 dollars. We need each account settled in an accurate and timely manner.

Schedule A form 1040: As of this writing, we have yet to receive the full refunds for the tax years, 2004, 2005 and 2006. Three checks have been issued to us. None of the checks match the amounts on the notices you sent us informing of the refund amounts we could expect. Unfortunately, none of the amounts match those contained in the three notices you have sent us.

When we contacted you Refund Information system, you wrote that if we were given Refunds less than what we are due, the difference would be made up in a future check. We are resting on this assurance. Secondly, we wish you to take note of the form 1098 we filed and the amount we have claimed as a refund. We have every documented reason To expect the full amount plus interest. Why? Consider that in our latest loan documents from First United Lending, we are obliged to repay a loan that will have grown to more than \$1.6 million dollars by the time it has matured, and that does not include further refinancing. Our debt over the life of this loan has grown by more than \$700,000 in just One year. Since we must refinance at least once more, we will owe well over two million dollars and approaching three million. Our refund, in light of this, seems pale by comparison.

At any rate, it has been nearly three and a half months since we filed the 1098, and the

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Fourth month is fast approaching. November 10<sup>th</sup> will add up to a full four months. Yet, we have received no word of this refund and when to expect the check(s). We would feel Much more comfortable knowing when to the checks will be mailed in order to settle this account.

We look forward to a speedy, fully informative reply. So far, each letter we receive from your agency is being mailed from a different sight. The information always seems to leave unanswered questions. I hope that will not be the case here. We would like to close an account that is both complete and accurate.

Sincerely,

Wendell & Mary K. Harper



ARNOLD SCHWARZENEGGER, Governor



STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS  
*Business Services and Consumer and Investor Protection*

Preston DuFauchard  
California Corporations Commissioner  
Los Angeles, California

June 3, 2010

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Wendell Harper  
4151 Miflin CT.  
El Sobrante, CA 94803

IN REPLY REFER TO:  
FILE NO: 413-0073  
10037012

RE: Complaint against Saxon Mortgage Services, Inc.

Dear Mr. Harper,

The Department of Corporations (Department) has received your complaint concerning the above-named company.

The Department has forwarded your complaint to the company for immediate attention. The Department has requested that the company review the information provided and respond directly to you as soon as possible with a copy of their reply to this Department.

Thank you and I hope you find this information useful.

Sincerely,

*Louisa A. Broady*

LOUISA A. BROUDY  
Deputy Commissioner  
Financial Services Division  
(213) 576-7609

Enclosure

SAN DII  
0 FRONT  
(61)

1-866-27

ACRAMENTO 95814-4052  
515 K STREET, SUITE 200  
(916) 445-7205

SAN FRANCISCO 94102-5303  
71 STEVENSON STREET, SUITE 2100  
(415) 972-8559

LOS ANGELES 90013-2344  
320 WEST 4TH STREET, SUITE 730  
(415) 576-7500

SAN DIEGO 92101-3697  
1350 FRONT STREET ROOM

866-ASK-CORP

Case: 10-48255 Doc# 29-1 Filed: 04/01/11 Entered: 04/01/11 14:50:26 Page 12

www.com ~~

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**Deductions****Itemized Deductions - Schedule A**

**SCHEDULE A QUALIFIED MORTGAGE INSURANCE PREMIUMS DEDUCTION LIMITATION**  
 We changed the amount claimed for Qualified Mortgage Insurance Premiums because we changed your adjusted gross income (AGI). If your AGI is between \$100,000 and \$109,000 (\$50,000 and \$54,500 if married filing separately) the allowable deduction is limited. If your AGI is more than \$109,000 (\$54,500 if married filing separately) you are no longer allowed a Qualified Mortgage Insurance Premiums deduction.

**Other Deductions**

**YOUR STANDARD DEDUCTION IS NOW LARGER THAN YOUR ITEMIZED DEDUCTIONS**  
 The Standard Deduction amount is now larger than your total Itemized Deductions on Schedule A, line 29. Therefore, the proposed TAXABLE INCOME amount in the Explanation Section of this notice was refigured using the Standard Deduction rather than your Itemized Deductions.

**Miscellaneous Issues****Deductions**

**YOUR MORTGAGE INTEREST DEDUCTION NEEDS VERIFICATION**  
 The mortgage interest deduction and points claimed on your return were more than the amount your lender(s) reported to us on Form(s) 1098, Mortgage Interest Statement. Please provide copies of the documents used to support the amounts claimed on Form 1040:  
 \* Schedule A, line 10  
 \* Schedule C, line 16a  
 \* Schedule E, line 12  
 \* Schedule F, line 23a and/or  
 \* Form 4835, line 19a

**Miscellaneous Issues - Other**

**AMENDMENTS OR ADJUSTMENTS TO YOUR RETURN HAVE BEEN INCLUDED IN THIS NOTICE**  
 Previous changes to your original tax return were considered in figuring the amounts shown in the Explanation Section of this notice under the heading "Shown on Return". This may include any adjustments we made at the time you filed or changes you may have made at a later date by amending your return.

**Penalty & Interest Charges****Penalties**

**ACCURACY PENALTY FOR SUBSTANTIAL TAX UNDERSTATEMENT - IRC SECTION 6662(d)**  
 If we increase your tax, and the increase exceeds 10% of the corrected tax and is also equal to or greater than \$5,000, the law requires an accuracy-related penalty due to substantial understatement of tax. The penalty is 20% of your tax increase. The penalty may be reduced or not charged if you:  
 \* Provide the substantial authority (such as, Internal Revenue Code, Regulations, Revenue Rulings, Revenue Procedures, etc.) you used to decide how to treat your income or deduction, or  
 \* Tell us where on your return you clearly show the facts supporting your treatment of the income or deduction, or  
 \* Submit a signed statement that clearly outlines the facts supporting your treatment of the understated income.

June 23, 2010

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Wendell Harper  
Mary-Kathryn Harper  
4151 MIFLIN CT  
EL SOB ANTE, CA 94803  
(510) 262-9178

State of California  
Department of Corporations  
Attention Louis A. Broudy  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344

Re: Loan Number 2000380690

Dear Mr. Broudy:

In regards to the packet you received from Saxon Mortgage Services, we are urging your office to not be misled by the company's Response. Many allegations went unaddressed. Among them:

The October. 2007 NovaStar Loan Modification Agreement, which Saxon failed To include or address in the packet. Yet, the lender filed a Notice of Default and Election to Sell on the basis of this agreement. In fact, Saxon sent the department a copy of its proposed uncertified Loan Modification agreement, the one they never signed Or recorded with the Contra Costa County Recorder's office.

The 2008 & 2009 & 2010 Notices of Default. These notices identify the NovaStar Loan Modification Agreement as the basis for filing the Default proceedings. Saxon excluded all three notices. We have sent the Department of Corporations copies of all three notices.

The latest document related to Saxon's "Substitution of Trustee". Saxon claims to Have transferred trustee duties from Ticor Title Company to T. D. Service Company. Saxon has never employed the services of Ticor Title Company In any transactions related to the Loan of Wendell Harper & Mary-Kathryn Harper. In fact, Saxon lied in saying that Ticor was its original Trustee. You Have a copy of the 2008 "Substitution of Trustee" notice from Saxon, notifying all parties officially of its decision to use Quality Loan Services. Notices sent to you on June 22, 2010. QLS has been in legal difficulty, having been sued and having lost.

So Saxon abandoned the firm without officially changing trustees.  
As a result, it has not had a legally and duly noted trustee other than QLS, which  
It has not used since 2008.

Saxon is not a Debt Collector. This loan was not in default when Saxon  
Bought it from NovaStar. Saxon did not deny our allegation to that affect.  
I have searched this Saxon packet for evidence of the Notices we sent the Department of  
Corporations, about Saxon breaking the Modification Agreement, increasing the  
mortgage payments per month, and raising the principal. I see no evidence of  
The letters Saxon sent us, notifying us of the increase in mortgage monthly  
Payment and the spike in the interest rate. In fact, I am still trying to locate on the  
payment history, the dates of January, 2008, through June. The loan was increased  
To \$3300.00 a month in July, 2008, up from \$2375.00. The \$2375.00 is part of the terms  
and conditions of the NovaStar negotiated Loan Modification Agreement.

We will be legally compelling Saxon to prove it is a debt collector, that it legally Owns  
this loan, and that this debt is valid. Saxon Mortgage Services has not answered  
our allegations. The crucial issues as described in this letter, have been excluded.  
None of their notices of a mortgage rate and payment increase are in this packet. You  
Have copies, however, as we have sent you several packets containing these and  
Other documents.

Therefore, we submit that it is sheer negligence to permit this flawed firm to  
commit acts of Predatory Lending and invalid foreclosure, under the protection  
banner of the State of California. Your office and that of the Attorney General  
have the power to revoke Saxon's license to practice in California and to suspend or  
revoke its lender exemption under the Foreclosure Prevention Act.

As soon as US Lenders completes our audit, we will be filing suit, probably in  
Superior Court. As we have alerted your office, issues abound in this case, related  
To Mortgage Interest, Statements, and Saxon's obligation as per Mortgage Interest  
And Points it is obliged to report when called upon. We urge you to cancel their  
exemption and revoke their license. The evidence we have sent you, supports us.

Sincerely,

Wendell Harper  
Mary-Kathryn Harper